

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
W. R. GRACE & CO., <u>et al.</u> , ¹)	Case No. 01-01139 (JKF)
)	
Debtors.)	Jointly Administered

Objection Deadline: April 26, 2005

Date of Notice: April 6, 2005

CLAIM SETTLEMENT NOTICE

THIS NOTICE IS PROVIDED TO YOU PURSUANT TO THAT CERTAIN ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE (THE "BANKRUPTCY COURT") AUTHORIZING AND APPROVING AN OMNIBUS PROCEDURE FOR SETTLING CERTAIN CLAIMS AND CAUSES OF ACTION BROUGHT BY OR AGAINST THE DEBTORS IN A JUDICIAL, ADMINISTRATIVE, ARBITRAL OR OTHER ACTION OR PROCEEDING (THE "COURT ORDER"). YOU MUST ADHERE TO THE TERMS OF THIS CLAIMS SETTLEMENT NOTICE IN ORDER TO PROTECT YOUR RIGHTS. PLEASE READ THE FOLLOWING PROCEDURES CAREFULLY.

Pursuant to the Court Order, the Debtors must provide notice to the Negative Notice Parties (as defined herein) of any settlement with a value that equals or exceeds \$50,000, but does not exceed \$1,000,000. Such notice must include the terms of the settlement and the Debtors' basis for belief that each settlement is fair and reasonable. If the terms set forth in this notice are not objected to in writing by any of the Negative Notice Parties within twenty (20) days after the date of transmittal of such written notice, the Debtors may enter into, execute and consummate a written agreement of settlement that will be binding on them and their estates three (3) days after the submission to the Bankruptcy Court by the Debtors of a certificate of no objection with respect to such settlements. **In no event, however, will a settlement executed by the Debtors in accordance with the Court Order provide for any monetary payments to**

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc.), Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc.), E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

be made by the Debtors from property of their estates to or on behalf of a settling party on account of any claims owing or arising prior to April 2, 2001, the date the Debtors filed their petitions for relief under title 11 of the United States Code. Such claims shall be satisfied in accordance with such further orders of the Bankruptcy Court or in accordance with the Debtors' confirmed plan (or plans) of reorganization.

Attached hereto as Exhibit A is the summary of the claim (the "Claim") which certain of the above captioned debtors and debtors in possession (collectively, the "Debtors") seek to settle pursuant to the procedures approved by the Court Order. This Claim involves the settlement of a claim against the Debtors by Sciences International, Inc. ("Sciences") with respect to work performed for the Debtors and the allowance of an unsecured, pre-petition, non-priority claim in the amount of \$148,137.42, to be paid in the same manner as all similarly situated claims pursuant to the Debtors' anticipated confirmed plan of reorganization. Pursuant to this settlement, Sciences agrees to be barred from asserting any other claims arising prior to April 2, 2001. Notwithstanding the foregoing, the settlement shall not affect Sciences' rights, if any, to pursue post-petition administrative claims against the Debtors with respect to any post-petition services performed by Sciences for the Debtors.

If you oppose the settlement of the Claim, you must follow the procedures delineated below. Please note that objections, oppositions or comments to the procedures set forth herein shall not be deemed an objection to the settlement of the Claim and will, therefore, not be considered.

Objection Procedures:

If you object to the settlement of the Claim, you **MUST** serve on the parties listed below (collectively, the "Negative Notice Parties") a written objection to this Claim Settlement Notice. All objections and responses must be received by the Negative Notice Parties at the facsimile numbers set forth below no later than twenty (20) days after the date of this notice (**April 26, 2005 at 4:00 p.m.**).

If a timely objection is not received by the Negative Notice Parties and Debtors' counsel, the Claim shall be deemed resolved without further notice or hearing of the Bankruptcy Court.

If a timely objection is received by the Negative Notice Parties and Debtors' counsel and a resolution to the objection cannot be reached among the parties, the Debtors will file a copy of the Claim Settlement Notice and your objection with the Court and will schedule a hearing to consider the Claim Settlement Notice. Unless otherwise ordered by the Court, if such objection is overruled or withdrawn, the settlement of the Claim shall be deemed to have occurred on the date the Court enters an order approving the Claim Settlement Notice.

Any questions or comments regarding the foregoing procedures may be forwarded to David Carickhoff of Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. at (302) 652-4100 or Samuel Blatnick at Kirkland & Ellis LLP at (312) 861-2000.

DISTRIBUTION LIST/NEGATIVE NOTICE PARTIES**OFFICE OF UNITED STATES TRUSTEE**

United States Trustee's Office 844 N. King Street Wilmington, DE 19801 Attn: Frank Perch	FAX: (302) 573-6497
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COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS'

Stroock & Stroock & Lavan LLP 180 Maiden Lane New York, New York 10038-4982 Attn: Arlene G. Krieger	FAX: (212) 806-6006
Duane Morris LLP 1100 North Market Street, Suite 1200 Wilmington, Delaware 19801-1246 Attn: Michael R. Lastowski	FAX: (302) 657-4901

COUNSEL TO THE OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS

Caplin & Drysdale 399 Park Avenue, 36 th Floor New York, New York 10022 Attn: Elihu Inselbuch	FAX: (212) 644-6755
Caplin & Drysdale One Thomas Circle, N.W. Washington, District of Columbia 20005 Attn: Peter Van N. Lockwood	FAX: (202) 429-3301
Campbell & Levine 800 North King Street, Suite 300 Wilmington, Delaware 19801 Attn: Marla Eskin	FAX: (302) 426-9947

COUNSEL TO THE OFFICIAL COMMITTEE OF PROPERTY DAMAGE CLAIMANTS

<p>Bilzin Sumberg Dunn Baena Price & Axelrod LLP First Union Financial Center 200 South Biscayne Boulevard Suite 2500 Miami, Florida 33131 Attn: Scott L. Baena</p>	<p>FAX: (305) 374-7593</p>
<p>Ferry & Joseph, P.A. 824 Market Street, Suite 904 P.O. Box 1351 Wilmington, DE 19899 Attn: Theodore J. Tacconelli</p>	<p>FAX: (302) 575-1714</p>

COUNSEL TO THE LEGAL REPRESENTATIVE FOR FUTURE CLAIMANTS

<p>Swidler Berlin LLP The Washington Harbour 3000 K Street, NW, Suite 300 Washington, DC 20007 Tel: 202-424-7500 Fax: 202-424-7643 Attn: Roger Frankel</p>	<p>FAX: (202) 424-7634</p>
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COUNSEL TO THE DIP LENDER

<p>Latham & Watkins Sears Tower, Suite 5800 Chicago, IL 60606 Attn: Douglas Bacon</p>	<p>FAX: (312) 993-9767</p>
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COUNSEL TO THE OFFICIAL COMMITTEE OF EQUITY SECURITY HOLDERS

<p>Kramer Levin Naftalis & Frankel 919 Third Avenue New York, New York 10022 Attn: Thomas M. Mayer, Gary M. Becker</p>	<p>FAX: (212) 715-8000</p>
<p>Klett Rooney Lieber & Schorling 1000 West Street, Suite 1410 P.O. Box 1397 Wilmington, DE 19899-1397 Attn: Teresa K.D. Currier</p>	<p>FAX: (302) 552-4220</p>

CO-COUNSEL TO THE DEBTORS

Kirkland & Ellis LLP 200 East Randolph Drive Chicago, Illinois 60601 Attn: Janet Baer Samuel Blatnick	FAX: (312) 861-2200
Pachulski, Stang, Ziehl, Young, Jones & Weintraub P.C. 919 N. Market Street, 16 th Floor P.O. Box 8705 Wilmington, Delaware 19899-8705 (Courier 19801) Attn: David Carickhoff	FAX: (302) 652-4400